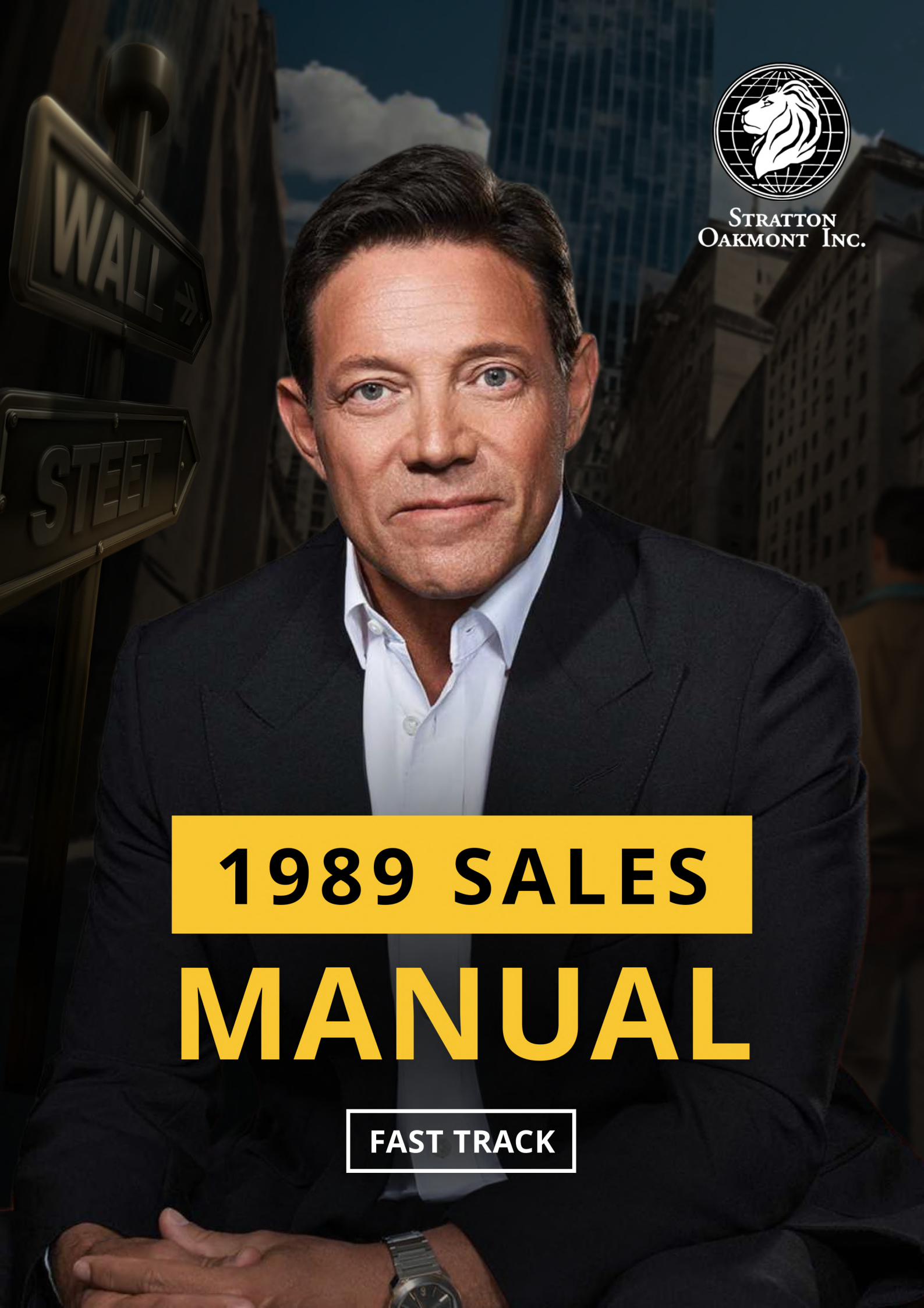

STRATTON OAKMONT INC.

1989 SALES MANUAL

FAST TRACK

Objections: Real and Smokescreen, understanding them and knowing how to overcome them:

SMOKESCREEN
Think about it
Call you back
Watch the stock
Send me information
Check my finances
Speak to someone (Wife/husband, lawyer, accountant)
No money (First Time)

REAL
they don't know you
they don't know your firm
they don't trust you
been burned before
Stigma of stockbrokers
Skeptical, scared
Long distance relationships
No money (sticks to it)

There are many other bullshit ways of saying they don't know and don't trust you, it's up to you to deal with them and overcome them.

Back to the straight line:

Once you have established that:
1. They like the idea
2. That if they knew you, your firm, and had a good relationship they wouldn't be so hesitant, the sale goes into high gear
You now understand what's holding them back.

Your goals:
1. Establishing credibility for you and the firm
2. Your motives- commission goals short and long term
3. The downside and the upside of this trade
4. The future relationship
5. Do this successfully and you will close many accounts!

OVERCOMING THE PROSPECTS FEARS:

The prospect must feel good about buying—they see the upside, more than just the one trade. But the potential relationship that can possibly make them rich—that a small investment with very little downside could lead to much, much more.

Remember, when dealing with high net-worth prospects, their worst fear is not that they'll lose money; they have plenty of that. They're rich. Their worst fear is to do something against their better judgment and feel like a fool. Essentially, it's their ego. Very often, these are smart educated people and they want to feel that they made a well thought out, logical decision to buy.

But nobody buys out of logic; they buy out of emotion and they justify it with logic. So both components of the equations are true. You must create an airtight logical case first, which then frees them up to be moved emotionally so they can buy.

ESTABLISHING CREDIBILITY:

1st

- Sell Yourself- introduce yourself once again, bring out some of your strong points.
- Sell the Firm- bring out the benefits of dealing with a firm of your caliber who specializes (in the type of investment that your firm deals with) you're expert in a certain fields and it's not like a wire house or a discount broker like Charles Schwab etc.

2nd

- Your motives- to establish a track record; get your foot in the door.
- For the prospect to be comfortable- work bigger down the road
- Commission in not your initial motivation
- You won't make him rich on this trade and even if you are wrong, put him in the poor house
- If you are wrong, he will never listen to you again and if you are right, obviously work bigger next time
- Guide him in- guide him out
- Make him money- percentage gain

3rd

- What you can do for him over the long term- why he/she is really going to move forward with this

- **TIPS:**
- Always end on a positive- downside first upside then close
- Remember your ABC- always be closing, don't wait until you address each and every possible objection, hit 1 at a time with 2 or 3 bullets
- He who speaks first loses- once you ask for the order- SHUT UP!
- Learn to pause- listen to the objection- pause and respond
- Be very polite- never insult them- keep your composure
- Never, ever lie. Never fabricate facts or earnings of a company. Do your research and come up with the best presentation
- Never recommend a stock against someone's best interest
- Never recommend someone to buy more than they can afford
- Either he buys or clicks ya!

POWER BROKER- THE FINAL SALE- THE FIRST 7 DAYS:

There is no such thing as a final sale, only a temporary close. The following are the four steps that you must coordinate with your sales assistant once the client says yes.

NOTE: Depending on what country or the exchange you are operating on, settlement days vary. Call back days must be adjusted.

Day 1

1. Once the client says yes, you should know the follow up program cold. Very often you are on very thin ice, because it is very easy to lose the sale going through the account form. You should sound very confident, as if this was your 100th time going through this. Do whatever possible to make the client comfortable; a light comment here and there would help. As soon as you're finished with the account form it is important to button up the sale Here's how: "Now that we're done with that, I'm going to go into the market and get the best possible price on your # of shares of . You can expect a call within an hour from a member of my staff with your account # and an execution price on your trade. This will be followed by an overnight package with all your information. I would also like to make sure you have my 800# and the correct spelling of my name, if you have any questions please don't hesitate to call. Once again welcome aboard and thanks for the vote of confidence, have a great day!

2. Within an hour, have your sales assistant pleasantly and professionally confirm the trade and give the client their new account number. The sales assistant should also verify the best address to send Fed-Ex. Many times, sending the package to the wrong address can blow the sale. Make sure your sales assistant immediately informs you on how the call went and if there are any problems.

Day 2 or 3

A quick phone call to the new client updating them on the position and make sure package was received. There are many things you can do here so know your objective. This is perhaps the most important call in developing a relationship. It is strictly a professional call.

Here's how:
Re-introduce yourself, (hopefully by now you are on a first name basis) How are you? Great. I'm calling just to touch base with you briefly. First, I wanted to make sure you received the package my assistant had sent you. Did you get that? Did you get a chance to look through it? When you do get some free time please look it over. Secondly, I wanted to give you a quick update on , right now things look

(Remember: there are a variety of things you can say depending on volume, rumors, news, etc.)

REMINDER

Don't get confused with what you are doing. You are the professional and they are your clients. Do not get too comfortable and certainly don't be sloppy. Always be on your toes and remember that, at this point, casual friendly conversation is not conducive to a good relationship.

The only thing they want from you at this stage is to prove that you can make them money. The client's worst nightmare is a piker broker. (Perception is crucial. Like, any good investment professional, you're very busy all day long. Make sure you let the clients know that and be straight to the point. For example, you're like a very busy doctor with full waiting room. You have more than enough time to give each patient, yet you are still very busy.)

Day 3-5

This is the call that the sales assistant will make to arrange P/U for funds. The sales assistant should also make sure the instructions for payment are very specific, whether it be a corporate account or personal. The check must match the title on the account if there is the slightest doubt that the client might renege. Get on the phone yourself and straighten it out. Do not file for an extension if you are unsure if the client is going to pay.

Extensions- it is illegal to file for an extension if the funds are not in the mail; on top of that you are exposed to market risk and subject to a sell out where you might have to take a hit. A sale is not a sale until the check clears.

Day 7

Client's funds are now due- 5 business days plus a 2-day grace period. Never, ever, second trade a client until the check hits.

Things to look for on new accounts:

- Large orders- funds must be wired in before placing order
- Unsolicited buys of different stock- they might be trying to get an uptick for a short sale.
- The biggest guy ever
- The stock is being delivered- you need proof

BASICS OF BUSINESS

Illustrations of the Importance of New Accounts:
12 accounts per month multiplied by 12 months = 144 per year. Accounts may yield 3,000 to 5,000 gross annually.

Year #1
Accounts 144 X 5,000 = 720k
144 X 3,000 = 432k
144 X 2,000 = 288K (this number should be used by small thinkers)

Year #2
Accounts 288 x 5,000 = 1.4 mil
288 x 3,000 = 864k
288 x 2,000 = 576k

Year #3
Accounts 432 x 5,000 =2.1 mil
432 x 3,000 =1.3 mil
432 x 2,000 = 864k

After the third year, you should be a million-dollar producer **IF** you do what needs to be done **NOW!**

By opening the proper number of accounts, you will do consistent gross every year.

1. You will Succeed if you Always Work Hard & Smart
    - Stay on the phone constantly
    - Don't worry about what the crowd is doing
    - Think that it's impossible to fail
    - Know inside that this person WILL buy
    - Visualize and see the transaction take place before hand
    - Plan to win- prepare to win- expect to win

2. There are 2 Sales People in Every Transaction
    - Broker
    - Prospect Client

If they buy, they bought your presentation. *If they don't, you bought theirs.*

3. The Only Way to Get the Order is to Ask For It
    - If the person says NO you haven't lost anything.
    - You never had the order to begin with
    - To risk nothing is to have nothing
    - Fear only fear itself
    - Second Trade your clients with the same excitement and aggressiveness as the New Account

4. Sound Like a Million Dollar Producer and You Will Become One
- Act like one
- Dress like one
- Speak like one
- You will feel like one

5. Get the Second Trade
- Lays the cornerstone for future activity
- The prospect opened the account believing he will make money
- This is the time that you are in his mind the most

6. Call Him As Soon As the Trade Is Completed
- Client already in check writing mode
- Excitement is at its highest
- Your Goal is to diversify the account/client

7. Service Calls
- Don't ask for money on this call
- Talk more personal, identifying their aliveness ex. Children, wife, hobbies *(begin to really know your customer)*

8. Sell Other Holdings the have elsewhere (only if it's in their best interest)
- Other accounts that are not performing
- Profit potential may be greater with this one
- Cash sitting in other accounts wired in

9. Get the Account Transfer
- ACAT
- DTC
- LOA
- Wire Transfer

10. Keep Good Notes
- Account Development sheets
- Make notes on all conversations
- Follow up on customer request sheets

Basics of Business Sales Tip #1

Get a notebook and write down the name, state, and phone number of all leads every day. If you open the account, highlight the name.

Benefits:

1. Motivates you to get leads on a daily basis
2. Keeps your ratio
3. When a special situation arises (i.e. a deal) you have names to call in addition our lead base. Build book to over 500 names.

Basics of Business Sales Tip #2

Set a daily production goal each day. Line up 50% of the goal between 4:00pm and 8:00 pm do the additional 50% during the trading day. You should go into each day with 50% of your goal hit.

Basic Business Sales Tip #3

What is a qualified lead? One who is interested and open minded to listening to new ideas, names a few stocks, has a minimum of 100k in stocks and is liquid now for 10K if he likes an idea. If the prospect does not meet the criteria it is not a lead.

Basics of Business Sales Tip #4

Being a positive thinking person is the single most important asset you can possess in business. Negativity is the simplest shortcut to failure; positive thinking will virtually guarantee your success. The only question is, as with stocks, is how long will it take? Never let market conditions, self-doubt or negative people delay your success. Read as many sales and motivational books as humanly possible and avoid all dream-stompers.

Basics of Business Sales Tip #5

Keep an "other brokers" file. As you prospect, when you come across someone who is in the market, but did NOT give you the lead, keep it in a separate file. This will result in hundreds of additional names to call for special situations, such as hot a new issue or a highly coveted private placement, which you can use to get your foot in the door.

Basics of Business Sales Tip #6

Building accounts and assets is the key to your business. NEVER CHURN an account for the sake of generating commissions. Commissions are the **result** of hard work and doing the right thing by your clients, so their interests must always come before yours. All the sales meetings/ books in the world cannot help you if you do not pay attention to the basics.

Leads = New Accounts = Assets to Manage = Commissions

It's that simple---forget the fancy stuff. Brokers must take on 120 accounts or more every year for the next 5 to 10 years. Start Today.

Basics of Business Sales Tip #7

There is an old saying in telephone sales. "Smile and Dial". Put a mirror on your desk to make sure you're smiling. It is impossible to sound negative when you are smiling. People like to deal with happy upbeat professional. This is extremely effective.

Basics of Business Sales Tip #8

Regardless of the conversation, end every call with a positive. Things like: "Have a great day!" or "Lots of luck to you!" or "Continued success!" have always worked in keeping both broker and prospect positive. Your goal should be for both of you to hang up smiling.

Basics of Business Sales Tip #9

If you are in a drought with new accounts, start by making small changes one at a time. Change the company you're presenting; adjust your style (do you need to be more persistent, less aggressive?); have another broker critique; tape yourself and listen to your tonality. And most of all, RELAX. A desperate broker can be detected easily. Remember that all prospects are experienced at listening to brokers, so RELAX. Have fun with your presentation and concentrate on getting a high number of presentations off. Don't put yourself in a pressure cooker; have fun!

Basics of Business Sales Tip #10

To be consistent, you must have your accounts diversified. Apply a "Percentage of Assets" guideline. Have no more than that percentage of a client's assets' in one security. An over-concentrated account is not an exercise of prudent money management. (Ex. 100k account should have no more than $20,000 of any security. The larger the account the more the diversification). This is a guideline; you must know your client.

Basics of Business Sales Tip #11

Be a professional from head to toe. Your firm and your clients expect you to look like a successful broker. Dress for success, neat and clean. Clean up your desk, a serious broker is organized. Disorganized is a sign of inexperience.

Basics of Business Sales Tip #12

Call your clients and let them know the advantage of using a "portfolio approach". Let them know the risks of having a one or two position account. Give them 3 or 4 ideas to think about and close on portfolio. Do this today and work hard on it the rest of the month.

Basics of Business Sales Tip #13

Never duck a call when a recommendation you made has gone south. For experienced brokers, "down stocks" represent a major opportunity to strengthen the relationship. If you are there to hold your clients hand in the bad times, they will have tremendous respect for you and forgive you for being wrong. No broker, after all, is always right.

Basics of Business Sales Tip #14

Sales training meetings are great. Motivational meetings are great, too. But when both are done together, that's when the magic happens. Always remember it ultimately comes from within. Only self-motivated people can be successful. Be a self-starter.

Basics of Business Sales Tip #15

How to present any company...

Introduction:

1. Name of company
2. Symbol
3. Exchange
4. Price
5. Target Price (if you can ethically and legally justify one)

Background:

1. What company does
2. History
3. Recent developments
4. Industry facts

Strategy:

1. Main Bullet Points- reason to buy
2. Event or catalyst - why buy now
3. Reiterate profit potential - it "buttons"
4. Point out risk/exit strategy

Presentation Tips:

1. Be direct—teacher/ pupil
2. Maintain control of the conversation
3. Be exact, the way an expert would be
4. Ask for the order multiple times if you're certain it's in the client's best interest.

Basics of Business Sales Tip #16

Do you know how much money you make per dial?

- The average broker makes 200 dials per day
- The average broker does $300,000
- 220x 220 (# of days) = 44,000 dials
- 44,000/300,000 = $6.81 per dial

If management stood over your shoulder and gave you $6.00 for every dial, how many dials would you make per day? Would you feel good about each dial?

This is what you are doing.

The average includes **all** brokers. Veterans as well as account openers are included. Experienced brokers should use higher numbers. Managers should make the most dials in their group.

Know what each dial is worth.

Basics of Business Sales Tip #17

When you make money make sure you have a financial plan. Increasing your income and keeping your bills the same creates wealth. Vices are shortcut to financial ruin. Remember this: Money does not come with directions; you have to know what to do with it.

Basics of Business Sales Tip #18

Keeping up with your business

The brokerage industry is always in a state of change. Brokers with the ability to change with the times have the best opportunity for success. The baby boomer generation is aging. This means they will seek to consolidate their investments. Your goal is to manage the entire portfolio. (I.e. ACATS)

It has never been more important for brokers to "learn their trade". You must do your homework daily by reading research reports. Following others will not lead to success; you must be a self-thinker. Fall in love with 3 or 4 companies every month and build positions. Think of yourself as an "asset gatherer", those with assets will be the big producers. The markets will not wait around for you to learn your trade.

DON'T FOLLOW THE PATH, BLAZE THE TRAIL.

Note: The more things change the more they remain the same. Brokers who are making presentation day in and day out are future million dollar producers. This will never change.

Basics of Business Sales Tip #19

When presenting an idea to New Accounts, ALWAYS give the benefits of dealing with you and your firm. This will prevent the prospect from taking your idea and buying through another broker. (This happens quite often) Studies show 1 out of 10 prospects buy through their current broker. In theory, you are getting 2 out of 10 orders but only receive compensation for 1.

"We not only tell you when to buy, we tell you when to add to a position, when to reduce a position, and most important... when to sell".

Basics of Business Sales Tip #20

Love what you do and you'll never work a day in your life.

Basics of Business Sales Tip #21

Every broker loves to land "Big" accounts. The fact is all accounts contribute to your business. When trying to do business, it is important that you remember to contact all clients to position a particular company. Too many brokers make the classic mistake of concentrating on "whales" and leaving the smaller account unattended. These "smaller" accounts often ACAT out of frustration. Million dollar producers call on all accounts.

Basics of Business Sales Tip #22

There is an old saying on Wall Street... "Never mistake a rising market for genius". When stocks are up and production is increasing, the reality is, you are no better of a broker than you were a few months ago.

You must continue to concentrate on new accounts at all times. Big producers consistently open new accounts. Our top broker was opening accounts when everyone was wondering what was going on.

Business is good, open accounts and take your business to the next level. Those who do not open accounts will pay the price.

Top producers take on 12-20 new clients every month.

EXPLANATION OF PORTFOLIO REVIEW

Explain to the prospect/client, the stock market has damaged the majority of all individual investors portfolio's in the last 2-3 years. Over the last 15 years everyone was trained and brain washed to average down or just buy, EMC, CSCO, INTC, MSFT, SUNW, ETC.

All you had to do was buy more every time the market pulled the stocks back. The strategy worked for years.

Suggested Point- Guess what, in the last 2 ½ years it did not work.

Make the prospect/client understand, that stocks just do not come back. The same scenario developed in the 1970's. The same companies at the time were called the "Nifty Fifty" IBM, Polaroid, Xerox, etc. Most of the Nifty Fifty took 5-7 years to come back. Some never came back.

Suggested conversation:
So what does that mean to the prospect/client? What it means to you is that not all stocks were mean to be held for the "long term".

REMEMBER, your job, as a stockbroker/financial consultant is to show your clients that the companies change, technologies change, and the landscape changes.

POINT OUT THAT THIS IS WHY IT IS WORST TO DO NOTHING THAN SOMETHING

Suggest that the prospect/client send a copy of his statements, best/worst holdings, so the ICC/ Pershing Technical and Fundamental Analysts can show them if institutions and "Wall Street," likes/dislikes the company.

BUILDING A BUSINESS

I think we can all agree that to some extent life is a number game (some people refer to this as the luck of the draw or right place at the right time.) This business is definitely a numbers game.

This table will give you an idea of what it is going to take:

400 dials per day	=	10 qualified leads
10 qualified leads	=	1 account
20 accounts	=	10 2nd trades
10 2nd trades	=	5 clients
5 clients	=	1 million $ accounts

Goals/ Game Plan

This should be your minimum monthly goal for your business: 1 account a day = 20 per month = 5 clients per month 1 million dollar account per month
In 3 months you have a book
In one year you have a business

Using my production as an example:

20 accounts per month x 12 month = 240 accounts
240 accounts/1.8 million gross = $7,500 gross per account in the first year alone

If someone cut us a check for $7,500 every time we opened an account; how many account would we want to open today?

Each new account is like making a bank deposit. Guess What? You can make a withdrawal any time you want to.

How many cold callers do you want?
How many account openers?
How many accounts do you want per month?

How many deposits of $7,500 will you make?
How many withdrawals?

Using this formula, how many gross can you do?

4 cold callers	=	40 leads per day
4 account openers	=	4 accounts daily
80 accounts monthly	=	960 accounts per year
960 accounts	=	7.2 million gross

COLD CALLER SCHEDULE

MONDAY – FRIDAY

7:30 AM -12:30 PM

Each person will be on the phone by 7:30 Am., with the hopes of reaching the Owner/CEO because every successful person comes in early, normally before his secretary is there to screen the call.

12:30PM -1:15 PM

Lunch break time to unwind, please use time efficiently. Don't waste your entire lunch break waiting for your order to arrive, order at 12:00pm.

1:30 PM- 5:30 PM

Work hard here; this is where you build your skills, fighting secretaries, and angry CEO's.

5:30 PM- 7:45 PM

Close the day out calling the west coast, and calling people at home (one of the best calls).

MILLION DOLLAR PRODUCERS

Million Dollar Producers

Time Management: The key to Increasing Gross Production

What distinguishes a $2 million producer from a $200,000 producer? One $2 million producer we talked with recently noted that he had adjusted his work schedule since recently. "Now I'm working half days. I start at 6 a.m. and work until 6 p.m." He had been working 10 1/2-hour days, but in response to turbulent markets, he didn't want his production to suffer.

Clearly, one factor setting apart the $1 million-plus brokers' is that they work more hours. Million dollar producers have a notably strong work ethic, and their hours show it. But hours worked accounts for only a small portion of the difference between a $200,000 and a $2 million producer. The simple math in the chart below illustrates this.

What Makes a Top Producer?

Gross Production.

Hours/Week	Gross/Hour	Hours/Week	Gross/Hour
$2 million		**$200,000**	
60	$667	60	$68
50	$800	50	$80
40	$1,000	40	$100

The $2 million producer working a 60-hour week averages $667 gross production per working hour. The $200,000 producer working a 50-hour week averages only $80 gross production per hour.

What really distinguishes top producers is gross production per working hour. To make money in this business, it's not enough just to work long hours. You have to work highly efficient, highly productive hours.

How do you make your work hours more productive? The answer is effective time management.

It’s a Tougher Market

Time management is far more important today than it was years ago. Today turbulent markets are separating the wheat from the chaff. During the six-year bull market that ended on October 19th, 1987, many brokers could afford to be somewhat relaxed in their work habits. Clients and Prospects liked the stock market. People tended to buy more stocks, make larger transactions and have market profits to reinvest in additional transactions.

Today's story is different. These are challenging times, and brokers who understand the challenge and respond to it are going to do very, very well. 'To increase production and keep your business growing you absolutely have to manage your time well. If you do not focus on Increasing your gross production per hour through efficient use of your time, you risk losing ground.

In the long run, survivors of today's turbulent markets will do well indeed. Look back to '71, '72, '73, and '74 when there was a long period of difficult markets. About 30 percent of the brokers left the business. But those of us who stayed were rewarded when the bull market returned.
There was a tremendous explosion of business as millions of investors rediscovered the stock market.

This means effort expended today to better manage your time and improve your business offers both near-term and long-term rewards. The near-term reward is staying in the business and feeling the satisfaction of steadily increasing production. The long-term reward is a significant "pop" in earnings when the turbulence subsides and we have another up market.

Manage Time to Increase Contacts

What’s the overriding secret to efficient time management? It's simple. Prioritize your time to make contacts. Get on the phone early and stay on it until you've made your quota of contacts with prospects and clients. So many brokers never break out above a $150,000 or $200,000 plateau because they forget the basic fact that our business is a contact sport. f you’re not making contact. You're not in the game.

A few average industry statistics are startling. Nationwide, the typical broker talks with 12 to 13 people per day-which includes prospects, clients, incoming calls and outgoing calls. The average call is about five minutes long. Multiply 12 times five minutes, and you get about 60 minutes. The question is what are the nation's brokers doing the other seven or eight hours per day?

The first step to effectively manage your time is to set clear and absolute goals regarding the number of contacts to achieve each day. Your gross production is tied to one thing and one thing only: your daily contact rate. A broker with a low contact rate will have low production.

Obviously, contacts during which you are chatting about the weather are not going to be productive. Production requires asking for the order and asking for referrals. That is why it is essential to set challenging but attainable goals that specify how many contacts you will make, how many orders you will ask for and how many referrals you will ask for each day.

Only one activity-your daily contacts-will create more business for you. Managing your time efficiently to increase production per work hour means arranging your life around this guiding principal: Nothing is more important than being on the phone asking for orders and referrals. Increase those numbers, and your production will automatically rise to new heights.

THREE TIME MANAGEMENT TIPS

1. Get an early start on the day. Note that the average business owner in the United States gets to work at 7:35 in the morning and the average secretary doesn't show up until 8:30. There's almost an entire hour in the morning when you can get directly to the business owner without having a "palace guard" to fend you off.

When you open a new account, ask the client "what is the earliest I can call you in the morning with really good, profitable money-making idea? Put together an early morning list of clients, and keep on expending it. Thus your first hours of the day, when you are at your freshest, will be as productive as possible.

2. Deflect distractions. It's the same in every office. There are always some outgoing people, wonderful human beings who love to chat. Friendly conversations are essential to our psychological health and part of what makes life worth living, but absolutely do not let them interfere with your productive hours. There are a number of techniques to creatively deflect distractions without insulting the other party. When someone approaches your desk, stand up. This will prevent him or her from sitting down and will keep a two-minute conversation from growing into 10 or 15 minute conversation. Some brokers remove all chairs except their own from anywhere near their desk to prevent anyone from sitting down to talk. If a client comes in for a meeting, they simply bring them to the conference room or secure a chair from someplace else.

One particularly attractive lady broker had a serious problem with numerous people wanting to chat. She was a friendly, outgoing person but did not want anything to get in the way of her productive hours. Her solution? A squirt gun. Any time a fellow broker walked up to pass the time of day, she would politely smile, say, "I'd love to talk with you but I'm busy now" and hit him full in the face with her squirt gun. It didn't take long for people in her office to realize that when she was busy, she meant business.

3. Don't read The Wall Street Journal. Each day The Wall Street Journal provides an extraordinary amount of information to the investment world. Most of it is a waste of your time. Schedule four to five minutes to look at the summary columns on the front page, and then put the Journal aside.

What if a client excitedly calls and says "Did you see the article about XYZ stock in today's Journal? Don't worry. Simply say, "I'm so busy I haven't had a chance to read it. What page is it on?" This increases the impression in the client's mind that you are an efficient, active, busy broker. If you truly enjoy the Journal, save reading it for the end of the day as a reward for achieving your production quota.

Million Dollar Producers
Ten Ideas That Will Increase Your Gross Production

Nobody is born with success habits. For example, $2 million producers didn't start as $2 million producers. Rather, most top producers have had to learn good work habits because they started off experiencing the same frustrations and difficulties that every broker experiences. The difference in many cases is simply that they were fortunate enough to receive good guidance and had the determination to follow through on it.

We all recognize that changing habits such as smoking or improving your diet can be extremely difficult to accomplish. Work habits are no different. To help you gradually transform your work habits into ones that directly increases gross production. I have set down 10 ideas that have proven effective for successful brokers. In fact, the way I came up with these ideas is by observing the daily habits and techniques of some of the top brokers across the country.

You can't change work habits or go from a $200,000 gross to a $2 million gross overnight. The way to arrive at your success is to gradually change a lot of little practices on a day-by-day basis. Change all the little things. And over a few months your overall productivity will climb significantly.

What the most successful producers have in common is that they show up every day and act like successful people. If you act like a successful person. over time you'll end up being successful.

Gradually, as successful practices become habits, monetary and career success naturally follows.

How do you act successful in the brokerage business?

Here are the 10 rules we've gathered from top producers across the country:

RuleNo.1:

Write Down Your Most Important Worthwhile Goals

There has to be an important reason to want to achieve your success. If you don't care deeply about the benefits of building your business and increasing your income, you will never do it. If you would rather be a forest ranger or a poet, it's better to clarify that early on rather than struggle with it while attempting to be an investment broker.

So be clear about your motivation for success in the business. Write down "I want to become a $X producer because and list all the reasons why it's important for you to do so.

Rule No.2:

Make at Least 25 Contacts per Day. Ask for at Least 12 Orders a Day and Ask for at Least Three Referrals per Day

In our work with many firms across the country helping brokers increase production, we have come up with what we think are fairly reasonable minimal standards of performance. Let's be generous and say that you average 10 minutes on the phone with each conversation you have. On that basis, 25 contacts per day will consume 250 minutes, or a little more than four hours every day. To achieve those minimum standards. You're going to be on the phone four hours every weekday. Since the average broker contacts only 12 to 13 people per day, this may mean a substantial increase in the number of hours that you actually spend on the phone.

Rule No.3:

Make a Written Call List for Each Working Day

Each evening before you leave your desk, or first thing in the morning when you come in, write down 25-45 names of people that you plan to contact that day. Almost without exception the big producers perform this simple task every day: They make a list and follow it.

Rule No.4:

Set Intra-Day Goals

Many of the most successful brokers break down their day into intra-day segments-10 contacts before 10 a.m. or 20 contacts before noon. This breaks a large task down into smaller units and makes it far easier to achieve. Every time you meet an intra-day goal, you will feel a rush of success that will propel you into fulfilling the next intra-day goal.

Rule No.5:

Work a "Sixth Day"

An excellent technique that really spurs productivity is the "sixth day" concept. A sixth day is simply, an extra chunk of four to five hours during the week when you are doing productive phoning. Create your sixth day by phoning a couple evenings a week. Or one evening and a Saturday morning. Treat sixth day hours separately and make a sixth daily quota each week. You will automatically increase your productivity by 20 percent.

Rule No.6:

Block out Your Entire Day, and Stick to Your Schedule

It's absolutely essential to spend four to five hours per day on the phone talking with prospects and clients. Nonetheless, there are other things you have to do: transaction housekeeping, developing new prospect lists, research, sending out notes and information, etc. The key is not to let these other; nonproductive activities interfere with production time.

Rule No.7:

"Spindle" Nonessential Issues

At any stationery store, for about $1.79 or so, you can buy a piece of wood with a nail sticking up through it. This may be the most important investment you can make, because the "spindle technique" is essential for keeping your productivity on track. You cannot control when clients or prospects may call you with questions or request. But you can control how much time you spend responding to them, particularly if the call comes in during a time allotted for phone productivity. The spindle allows you to do this. When a nonessential call comes in, do not feel under any obligation to respond to a request immediately. Instead simply write it down on a piece of paper, tell the caller "I will look into that today. Would you prefer I call you back late this afternoon or early tomorrow morning with the answer?" Then stick the paper on the spindle and forget about it until the time you have allotted for dealing with such issues.

Rule No 8:

Don't Chat with Clients during Peak Phone Hours

Your clients are important to you. Client relationships are the mother's milk of the brokerage business. Yet chatting with clients during your productive phone hours can hurt you. Your time is the most valuable asset, and you simply cannot afford to squander it even if it is a client calling or dropping in.

The question is. How can you get a client off the phone or out of the office without offending them? The solution is the "I've got a problem" technique. As soon as you feel a client is occupying more of your time than you want, simply say "Joe, I've got a problem. I'm building a position in a very exciting stock today and I need to make 30 more calls before the market closes. Would you mind if we postpone this to another time?" This technique never offends anybody. In fact, it helps further the impression in the client's mind that you are an efficient, productive broker who is looking after business.

Rule No.9:

Keep Score

Track your accomplishments, call by call, hour by hour, day by day and week by week. Keep a tally sheet to record every contact and its result. At the end of each hour allotted for productive calling, tally your score and compare it with daily goals. By conscientiously tracking each contact and each hour's success, you gradually heighten your consciousness of how important each small step is to achieving your goals. Keeping track on a regular basis is probably the most effective way to post reinforce the good habits that will turn into a highly productive broker.

Rule No 10:

Give Yourself Rewards

When you block out your days and schedule your time, don't forget to put red stars beside special events that are rewards for work well done.

Long term, a 10-day vacation may be a great reward for meeting your yearly goals, but such a distant reward will not help you much day to day. You have to give yourself lots of little rewards. "If I make 10 calls before 10 a.m. I'll get myself a soda." "If I make 20 calls by noon I'll have roast beef or lunch." "If I make my quota this week I'll take my wife out to dinner." These are all effective time management strategies, but the first three and the last two are the most essential. The only real issue you face is increasing the production of your work habits.

Those habits will not change unless you have clear goals. Pay close attention to each step of your progress toward them, and reward yourself when they are achieved. Setting down goals, tracking their achievement and rewarding yourself along the way will help force productive habits and make it positively easier for you to achieve your other worthwhile long-term goals.

FEAR

Success in security sales is directly related to your ability to handle fear. My observation after dealing with thousands of brokers across the country is that we all have a great many fears that affect our performance. If we can understand and deal with these fears in a positive way, we will be very successful in our business. If we let our fears disempower us, we substantially limit our performance.

Simply put, peak performers also experience fear, but they deal positively with it. Fear is normal. Not only is it O.K. to have fears, if you don't have any, you are not growing, since fear is a natural response to unfamiliar territory. You should expect and look forward to fear if you plan to increase your success. Fear is a sure sign you are doing something different. Moreover, to feel fear is to feel concentrated energy, energy that prepares you for "flight" or "fight".

Channel that energy into fighting for your goals instead of running away from challenges, and your fears will actually empower your success. That sounds great in theory, doesn't it? But in practice how does a broker deal positively with fear?

NAME THAT FEAR

The first step in using career-related fears as a springboard to success is to identity them. My dealing with new and experienced brokers across the country suggests that there are nine basic fears prevalent among people in our business. As you read through the brief descriptions of these common fears, check off the ones that hit closest to home, and try to recall specific instances when you have experienced similar fears. Knowing exactly what situations create fears for you personally is the first step to harnessing the energy they offer.

- **Fear of failing to meet a commitment to a goal**

Some people set goals that are too challenging. They soon realize that achieving these goals is simply impossible, resulting in discouragement. Consequently, they fear making a commitment to a goal, or a commitment to act in a new way, thinking "I've been in the business for 10 years and I'm habituated to talking to only 10 or 12 people a day. If I set a goal and don't achieve it, I'm going to feel pretty rotten about it.

- **Fear of failing as an investment broker**

The fear that "I won't make it in the business and I'll have to go back to doing something else for a living" is particularly prevalent among first and second-year brokers. This business is challenging. Getting started in it can be a fearful experience.

- **Fear of cold calling**

No one likes being rejected by strangers. While we all know that cold calling can have beneficial results, many don't do it to avoid rejection.

- **Fear of losing client's money**

This fear can hit just when you're about to close a sale. The client likes your presentation and is interested. You think. "What if he buys it and I'm wrong?"

- **Fear of meeting new people face to face**

Often a young broker meeting 40-50-or 60 year-old prospects or clients anxiously wonders, "Won't they think I'm too young?" or "What if I'm asked a question and I don't know the answer?"

- **Fear of public speaking**

Psychological tests frequently score public speaking among the top fear-provoking circumstances. Yet few marketing techniques can compare with putting on seminars when it comes to finding new clients.

- **Fear of looking stupid**

One of the best-selling products in today's market is the single premium annuity. Yet many brokers do not use it because they don't feel that they have a complete knowledge about the product.

- **Fear of success**

"If I am successful, will I alienate my friends, family and fellow brokers whom I leave behind?"

Once you have identified fears you commonly experience, what can you do to tum them to your advantage? First, remember that you will always experience fear as long as you are growing in our business. Learning to turn fear to your advantage does not mean you will no longer experience it. But when you understand that fear is something you need in order to grow, you will begin to see it in a more positive light. Secondly, remember that other brokers also experience fear when they move into unknown ground. You are not alone.

Psychologists and successful performers agree that the way to overcome fear is to "do something." Success-oriented producers can over-come fear by using three proven techniques: taking positive actions dealing directly with specific fears: keeping focused on their personal goals, and repeating positive affirmations they have created for themselves.

OVERCOME COMMON FEARS WITH DIRECT ACTION

Cold Calling

I have yet to meet a broker who has not had .a fear of cold calling. There are two steps in overcoming it. First, we need to engage our minds before we engage our mouths, so figure out in advance what you are going to say when the prospect responds with" I already have a broker," or "I'm not interested," or "I don't have any money to invest," or "I don't like these fluctuating markets." Write down word-for-word your opening comment and the exact words you will use to respond to each of these common temporary put-offs.

The second step is to make a set number of cold calls every day. Often, the best time to make the calls is first thing in the morning. This provides tremendous freedom for the rest of the day. A broker friend in Seattle who does over $500,000 annual gross gives credit to the fact that he does the most difficult things first every day. This resolves all of his anxieties, so he can get on with the rest of his days successfully.

Losing Client Money

In my early days as a broker, my firm sponsored an afternoon session with a well-known psychologist who deals with the fears that salesmen experience. He went around the room and asked each of us "What is the one most compelling fear that you have right now?" I admitted that I had a very wealthy client who had bought a stock that had gone down. I was fearful of calling him. The psychologist said, "Philip, get up out of that seat right now, pick up the phone and call him," then come back to our meeting and report what happened." With quaking knees I went out, called the fellow, totally fearful of the response. The client was not upset. In fact, he was pleased that I called, and I actually got an order from him on the call. I went back into the meeting walking on cloud nine. That is when I realized for the first time that the way to get through my fears was to "do something."

Looking Stupid

Say you've been a traditional investment broker for years and know very little about insurance or annuity products. You're not recommending single premium annuities because there are thousands of insurance agents out there who know a lot more than you do, and you don't want to look stupid. The way to handle this is to go ahead with important product knowledge, make a presentation and if you get a question you cannot answer, simply say "That's a good question I don't know what the answer to that is. Let me find out and get right back to you."